

# THE RENOVATION NEWSLETTER

Summer  
2007

Informing & Educating Citizens & Community Officials on Housing Issues in Hamilton County's First Suburbs

Available online at <http://www.hamiltoncountyohio.gov/herpc/fsc/>

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### NEW NEWSLETTER!

The Renovation is a new quarterly newsletter for Hamilton County's First Suburbs. It is part of a partnership between the Hamilton County Regional Planning Commission and Housing Opportunities Made Equal (HOME), sponsored by a grant from the United Way of Greater Cincinnati

Housing Planner, JoAnna M. Brown, is the Editor.

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## Housing Tax Increment Finance Districts *A Tool for Community Reinvestment*

Tax Increment Financing (TIF) districts are a tried and true tool for economic development. Communities can now use this tool for affordable housing. With a Housing Tax Increment Finance (HTIF) program, municipalities can use tax increment financing to assist affordable housing projects and to support related infrastructure and facilities, including local schools. HTIF is a flexible financing tool and municipalities have considerable discretion on how funds will be used.

An HTIF program gives cities and towns the ability to promote residential and commercial development in commercial centers through tax increment financing, which provides a real estate tax exemption on all or part of the increased value (the "increment") of improved real estate. This mixed use development must be primarily residential. Housing tax increment financing may be combined with grants and loans from local, state and federal development programs. An important purpose of the program is to increase the amount of affordable housing.

An HTIF creates money for housing by allowing municipalities to capture the new property tax revenue the housing constructed in the TIF district generates. It also allows municipalities to use all or part of the revenue generated to support affordable housing in the district, or expenses within the community related to the housing. For example, as widening roads to handle increased traffic, or expanding schools to accommodate additional children. Some benefits of a HTIF are:



- *Citizens in need of affordable housing clearly benefit from the increased housing opportunities.*
- *Communities benefit by gaining affordable housing without a decrease in state subsidies or increase in county taxes, two important provisions of the act.*
- *Developers can use the HTIF revenue to make a project feasible and rely less on the dwindling supply of traditional federal and state housing subsidies.*
- *Since it is a local decision to apply for the district, only housing developments with community support are financed under the HTIF concept. There is no increase in taxes for current taxpayers.*

A municipality also benefits because increased taxable value within a HTIF district can be excluded from the municipality's total assessed value. In effect, the municipality can avoid the decreases in state revenue sharing and education subsidies and increases in county taxes that would usually result from increased assessed in property values. This program has been used in Ohio. Examples of HTIF projects within Hamilton County include:

Project Name: CLIFTON HEIGHTS/UNIVERSITY HEIGHTS/FAIRVIEW  
Improvement Type: Public Infrastructure/Housing Renovations-Mixed Use  
Exemption Percent: 100%      Exemption Term: 30 years

Project Name: CENTER HILL - CARTHAGE/SPUR DISTRICT  
Improvement Type: Public Infrastructure/Housing Renovations-Mixed Use  
Exemption Percent: 100%      Exemption Term: 30 years

For more information contact the Ohio Department of Development Office of Tax Incentives at (614) 466-2317 or (800) 848-1300. Website: <http://www.odod.state.oh.us/edd/tif/>



HOUSING OPPORTUNITIES  
MADE EQUAL



HAMILTON COUNTY  
Regional Planning Commission



United Way  
of Greater Cincinnati

# Strategies for Increasing the Availability of Affordable Workforce Housing

According to a study conducted by the Center for Housing Policy in 2005, in just over five years, the number of America's families paying more than 50 percent of their income for housing has increased. The vast majority of these families spent half or more of their monthly incomes on the costs of owning or renting a home. Others had critical housing needs because they lived in homes with severe physical problems, such as a lack of reliable plumbing or heating.

According to the study, in many communities, the high cost of homes makes it difficult or sometimes even impossible for community workers, (such as, police officers, firefighters, teachers, nurses and other essential workers) to live in the communities they support. Higher home costs can force working families to live far from their jobs increase the time it takes for emergency workers to respond to problems and restrict workers' abilities to participate in community life. As home costs escalate it also becomes harder for retail and office workers and other citizens to afford housing. This could deplete the rich mixture of families essential to dynamic neighborhoods. Employers in turn, lose the ability to attract and retain workers who sustain and grow their businesses, and local economies begin to suffer.

The Center for Housing Policy's report "Increasing the Availability of Affordable Homes: A Handbook of High-Impact State and Local Solutions," identifies strategies that state and local governments can use to increase affordable workforce housing.

## Strategy 1. Expand the Availability of Sites for Development of Affordable Homes

In most communities where homes are out of reach of working families and land is expensive. By making publicly owned land and tax-delinquent properties available for development of affordable homes, local governments can reduce this obstacle. Governments also can expand the supply of sites for new homes through changes in zoning rules that make new areas available for residential development or increase the number of homes that can be built in existing residential areas (Lubell, 2006). *Examples of Solutions in Action: Greenbrier Heights: Woodinville, Washington.*

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## Public Policies & Housing

### Tackling Vacant & Abandoned Properties Strategic Approaches to Combat Community Decline

The Federal Reserve Bank of Cleveland's 2007 Public Policy Summit focused on issues of vacant and abandoned properties. The following is a summarization of a few strategic approaches that were discussed at the conference session on the issue. Vacant and abandoned properties present a wide range of social and economic problems for state and local governments. These problems can cause decline in property values, creating disincentives for revitalization and community development, therefore adversely affecting neighborhood safety and public health. Getting these properties back on the market serves multiple purposes, including returning tax revenue to struggling municipalities and potentially creating new affordable homes.

One way for communities to combat the challenge of vacant and abandoned properties is to develop a strategy. The goal of the strategy is not just to get the properties reused but to do so in ways that improve the community as a whole. Steps to frame an abandoned and vacant property strategy include the following-

#### Create and use information systems

Good information is part of the successful strategy for preventing and reclaiming abandoned and vacant properties. An effective information system can enable communities to track property conditions and identify problem properties. This information can

serve as an early warning system for properties which may be at risk of future abandonment.

#### Assemble legal tools

Local governments can require owners to maintain their buildings and can take action when owners fail to meet their responsibilities. Government action can motivate property owners to take advantage of property maintenance assistance programs and enables local governments to step in if the other efforts fail. Legal tools that local governments can use are code enforcement, nuisance abatement, receivership, tax foreclosure, eminent domain, and gifting.

#### Organize government to make strategy work

By bringing together all key government and non-government stakeholders to work toward common goals a community can make the most of limited resources and legal tools. Two ways to accomplish this is through interagency coordination and internal reorganization. An interagency taskforce can increase coordination and information sharing among departments. Interagency coordination is most effective where all parties give it priority and local administrators regularly reinforce that priority. In comparison, reorganization of department tasks may be an option to link related activities and reduce priority conflicts. Reorganization can range from small adjustments to broad restructuring and may involve creating a separate entity such as a land bank to focus local efforts.

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## Strategies for Increasing the Availability of Affordable Workforce Housing

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### Strategy 2. Reduce Red Tape and Other Regulatory Barriers to Affordable Homes

The longer it takes to gain necessary approvals to build a home and the more uncertainty involved in the approval process, the higher the costs of newly built or renovated homes. By expediting the approval process for affordable homes and addressing other regulatory barriers that drive up costs state and local governments can cut through the red tape and expand the supply of affordable homes.

*Examples of Solutions in Action: Flint, Michigan: the Michigan Land Bank Fast Track Act, amendments to the Brownfield Redevelopment Financing Act, and the Genesee County Land Bank.*

### Strategy 3. Harness the Power of Strong Housing Markets

The greatest housing challenges are found in hot housing markets where the costs of buying or renting a home increase much faster than incomes. Fortunately, there are steps that state and local governments can take to capitalize on strong housing markets in order to expand the supply of affordable homes. These include strategies for tapping the increased tax revenue associated with increases in property values and an active real estate market, and providing incentives for or requiring the inclusion of a modest number of affordable homes within new residential developments.

*Examples of Solutions in Action: MetroWest: Fairfax County, Virginia.*

## Tackling Vacant & Abandoned Properties

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### Target resources strategically

Communities should strategically target resources to reverse decline and strengthen neighborhood fabric. Public sector financial resources are limited and must be targeted if they are to be most effective. Housing strategies should focus on infill and rehabilitation rather than large scale new construction. Houses in need of repair should be addressed through homeowners assistance programs or programs to buy out irresponsible absentee owners and fix up their properties for resale. To enhance neighborhood curb appeal, communities can offer façade grant programs, landscape treatment of vacant lots, and street tree plantings. Larger projects such as vacant school buildings, rental properties, or industrial buildings can be used as anchors to strengthen streets within the neighborhood.

*Notable Examples: New Jersey's Abandoned Properties Rehabilitation Act; Michigan's State Land Use Bank Authority; and New York City's Third Party Transfer Initiative.*

Source: Mallach, Alan. 2006. Mayors' Resource Guide on Vacant and Abandoned Properties. National Housing Institute. A joint publication of the U.S. Conference of Mayors Housing Taskforce, the National Vacant Properties Campaign, and the Fannie Mae Foundation.

### Strategy 4. Preserve and Recycle Resources for Affordable Homes

Given the limited availability of public funds for affordable homes, it is essential that funding be used in a cost-effective manner. Providing funds to help preserve existing affordable homes that might otherwise be lost to deterioration or gentrification is one particularly effective strategy. Other cost-effective ideas include providing down payment assistance in the form of loans rather than grants, and the use of "shared equity" strategies that help preserve the buying power of government subsidies for homeownership in markets with rapidly appreciating home prices (Lubell, 2006).

*Examples of Solutions in Action: Villas on 6th: Austin, Texas- S.M.A.R.T. Initiative.*

Source: Lubell, Jeff. 2006. Increasing the Availability of Affordable Homes: A Handbook of High-Impact State and Local Solutions. Homes for Working Families and

## Housing Programs - A Quarterly Update

### Sewer and Water Grants

Grants of up to \$6,500 based on a sliding scale depending on family income, are available for low to moderate income homeowners. Grants are limited to on-site disposal systems or sewer or water tap in fees. This program is administered by the Hamilton County Community Development Department.

*Type of Assistance:* Grants

*Eligible Organizations:* Individuals

*Contact Information:* For more information contact Kathie Huesman at 513-946-8232 or via e-mail at [kathie.huesman@hamilton-co.org](mailto:kathie.huesman@hamilton-co.org)

*Website:* [http://www.hamiltoncountyohio.gov/commdev/v2/house\\_prog.asp](http://www.hamiltoncountyohio.gov/commdev/v2/house_prog.asp)

### Fixerupper Home Improvement Loan

The Fixerupper is a loan, given by National City Bank, designed to assist low and moderate income homeowners make improvements and needed repairs to their homes. The program offers an affordable interest rate, reduced income requirements, and slightly less restrictive approval criteria. Other features are a fixed rate secured loan up to \$100,000 and an unsecured loan up to \$4,999.

*Type of Assistance:* Loans

*Eligible Organizations:* Individuals

*Contact Information:* For more information contact Joann Hensley at 513-829-1444



## Best Housing Practices

### *Workforce Housing: Innovative Strategies and Best Practices*

#### **City of Evanston's One & Two Family Housing Rehabilitation Program**

The City of Evanston, Illinois offers a variety of housing rehabilitation programs which provide financing to improve their housing stock. One program in particular is the One & Two Family Rehabilitation Loan Program which provides owner-occupants and owners of residential structures with financial assistance based upon family size and income.

**Key Program Components** - The One & Two Family Rehabilitation Loan program provides revolving rehabilitation loans at zero percent interest for owner-occupied buildings, single-family homes, and condominiums. It is funded by Community Development Block Grant funds. The program goals are: to encourage the revitalization, preservation, and stabilization of Evanston neighborhoods; enable low-income to moderate-income families, who may not be able to obtain conventional financing, the opportunity to rehabilitate their homes; reduce utility costs by incorporating energy conservation techniques into housing rehabilitation projects; conserve and rehabilitate housing for very low-income households; and recapture funds through loan programs to assure future funding for housing assistance. A city rehabilitation specialist works closely with each homeowner to assess what work needs to be performed and then helps the homeowner select a contractor. Before the city pays the contractor, the rehabilitation specialist inspects the work to ensure it is done properly. Projects that qualify for assistance include landscaping, structural improvements, energy conservation, and those addressing code and health related violations. Additionally, the applicants after-rehabilitation property value must not exceed the city's median single-family home value as determined periodically by the city.

**Program Effectiveness** - Since its implementation, the City of Evanston rehabilitates approximately 15 homes a year. The program had such a high demand that the city raised all program caps. Most recently, the One and Two family Rehab program increased from \$30,000 to \$50,000 and the condominium program increased from \$7,500 to \$20,000 per applicant.

*For more information regarding the City of Evanston's One & Two Family Rehabilitation Loan program, please visit their website at [www.cityofevanston.org](http://www.cityofevanston.org).*

Reference: Metropolitans Mayors Caucus. 2006. *Home Grown: Local Housing Strategies In Action*. Metropolitan Planning Council.

## Local Updates

### *Village of Elmwood Place Housing Plan*

The Village of Elmwood Place Housing Plan is currently underway. The housing plan began in February of 2007 and is anticipated to be complete by January 2008. The plan is being conducted by JoAnna Brown, a housing planner hired by Housing Opportunities Made Equal (HOME) in partnership with Hamilton County Regional Planning Commission (HCRPC) and funded by grant from the United Way of Greater Cincinnati. The goal of the housing plan is to address housing issues facing the community and identify tools and strategies to assist in combating housing problems. Key components of the housing plan include: a housing condition survey and housing assessment, an analysis of the housing market, housing and homeownership affordability, as well as an inventory of current housing



The Village of Elmwood Place along with HCRPC is working with three graduate students from the University of Cincinnati's College of Business Real Estate Management program to conduct a marketing analysis. The Village has also applied for a grant of \$25,000 to implement an exterior housing improvement program. The Village is also giving an additional \$5,000 towards the start-up of the program. For more information regarding these initiatives, please contact Mayor Richard Ellison at 513-242-0563 or via e-mail at [ecityhall@fuse.net](mailto:ecityhall@fuse.net).

## UPCOMING EVENTS

### **SAVE THE DATE!**

- **Planning Partnership- Site Plan Review for Commissioners** will take place on September 25, 2007, 5:30 pm - 8:30 pm at the Drake Conference Center, Rooms F&G located at 151 W. Galbraith Road, Cincinnati, OH 45216. Registration Carol Kammer 946-4489 or [carol.kammer@hamilton-co.org](mailto:carol.kammer@hamilton-co.org)
- **Discover Elmwood Place Developers Breakfast** - September 19, 2007, 7:30 am -9:30 am The Elmwood Place Elementary School, located at 400 Maple Avenue, Village of Elmwood Place, Ohio 45216. Registration Carol Kammer 946-4489 or [carol.kammer@hamilton-co.org](mailto:carol.kammer@hamilton-co.org)
- **First Suburb Housing Workshop** -October 2007. Date, location, and time TBD.